

**MINUTES OF THE REGULAR MEETING OF THE  
ARIZONA STATE RETIREMENT SYSTEM BOARD**

**HELD ON  
Friday, October 15, 1999  
9:00 A.M., M.S.T.**

The Arizona State Retirement System (ASRS) Board met in the 10<sup>th</sup> Floor Board Room of the ASRS office at 3300 North Central Avenue, Phoenix, Arizona 85012. Mr. James Jenkins, Chairman, Arizona State Retirement System Board called the meeting to order at 9:03 A.M., M.S.T.

The meeting was teleconferenced to the ASRS office, 7600 East Broadway Boulevard, Suite 108, Tucson, Arizona 85710.

**1. Call to Order; Roll Call.**

Present: Mr. James Jenkins, Chairman  
Mr. Jim Bruner  
Dr. Merlin DuVal  
Mr. Karl Polen  
Mr. Ray Rottas

Excused: Dr. Chuck Essigs, Vice Chairman  
Mr. David Borg  
Mr. Alan Maguire  
Mr. Norman Miller

A quorum was present for the purpose of conducting business.

**2. Board Approval of Consent Schedule.**

**Motion:** Dr. Merlin DuVal moved that the ASRS Board approve the System Transfers, and Applications and Agreements between Employers and the Arizona State Retirement System.

Mr. Ray Rottas seconded the motion.

By a vote of 5 in favor, 0 opposed, 0 abstentions, 4 excused, the motion was approved.

### **3. Presentation, Discussion and Appropriate Action Regarding the Review of the Member Appeals Process.**

Mr. James Jenkins reported that the ASRS Ad Hoc Committee met regarding the review of the member appeals process. Four appeal process options were analyzed, including the Office of Administrative Hearings, contracted hearing officer(s), a full time employee, and contracted consultant(s). It is the Committee's recommendation that the Board hire a pool of independent consultants or investigators to assist and report to the Board during each member appeal on a one-year trial basis. The consultants would organize the material for all appeals, evaluate the evidence, and then submit the supporting materials along with a recommendation to the Board. The selection of the consultant for each appeal would be the responsibility of the Chairman of the ASRS Board.

Mr. Ray Rottas questioned whether the report would be heard on the record, or if the claimant would appear before the Board at a meeting and have an opportunity to talk. Mr. Jim Bruner, Member, ASRS Ad Hoc Committee responded that the goal is to have the best result for the member and the system. The recommended process is to have an independent consultant sort through the paperwork and report recommendations to the Board, but in no way would it diminish the rights of the individual. The Committee feels that this would be the best option for providing background information regarding the circumstances to make the appropriate decision. Mr. Bruner reiterated that this process will be done on a one-year trial basis and can be modified after that time if necessary.

Mr. Fred Stork, Assistant Attorney General confirmed that the consultant's report would be provided to the member and the ASRS Board and staff in advance of the Board meeting addressing the appeal.

**Motion:** Mr. Karl Polen moved that the Board hire a pool of independent consultants or outside investigators to assist and report to the Board during each member appeal on a one-year trial basis. The selection of the consultant for each appeal would be the responsibility of the Chairman of the ASRS Board.

Mr. Jim Bruner seconded the motion.

By a vote of 4 in favor, 1 opposed, 0 abstentions, 4 excused, the motion was approved.

Mr. Ray Rottas opposed the motion.

### **4. Presentation, Discussion and Appropriate Action Regarding the Appointment of the Evaluation Committee to Review the Request for Proposal (RFP) for Building Managers for the Norwest Tower and Broadway Proper Properties.**

Mr. Karl Polen announced the Building Investment Management RFP has produced eight comprehensive proposals from prestigious companies who are recognized leaders in the property management field.

Mr. James Jenkins appointed Mr. Karl Polen and Mr. Norman Miller to represent the Board on the Evaluation Committee to review the proposals for building managers for the Norwest Tower and Broadway Proper properties. The committee will also consist of ASRS staff including Mr. Paul Matson, Senior Investment Manager; Mr. Anthony Guarino, Deputy Director for Internal Operations; and Mr. Tom Augherton, Deputy Director for External Operations.

## 5. Presentation, Discussion and Appropriate Action Regarding the Results of the 1999 Arizona State Retirement System Member Satisfaction Survey.

Mr. Anthony Guarino reported the results of the 1999 Overall Member Satisfaction Survey. The survey was completed by 825 individuals in one of three target groups – members who had retired in the past 12 months; members who have had contact with the ASRS in the past 12 months; and active, inactive, and retired members in general. The average ratings for 1998 and 1999 are listed below.

### Overall Ratings

Service Attributes	1999 Avg.	1998 Avg.
ASRS Employees provide good service	4.2	3.9
The ASRS keeps its members informed	4.2	4.1
The ASRS is easy and pleasant to do business with	4.2	4.0

Below is a breakdown of the percentage of members who “agreed” (4 rating) or “strongly agreed” (5 rating) with the statements regarding ASRS service attributes. The ASRS is happy to report an increase in all three ratings.

### Percentage of Members Giving a 4 or 5 Rating

Service Attributes	1999	1998	% inc.
ASRS Employees provide good service	65 %	52 %	13 %
The ASRS keeps its members informed	73 %	69 %	4 %
The ASRS is easy and pleasant to do business with	62 %	43 %	19 %

Below is a breakdown of the percentage of members who “strongly agreed” (5 rating) with the statements regarding ASRS service attributes. The ASRS is happy to report an increase in all three of these ratings as well.

### Percentage of Members Giving a 5 Rating

Service Attributes	1999	1998	% inc.
ASRS Employees provide good service	43 %	29 %	14 %
The ASRS keeps its members informed	51 %	42 %	9 %
The ASRS is easy and pleasant to do business with	43 %	26 %	17 %

**6. Presentation, Discussion and Appropriate Action Regarding the Schedule for Meetings of the Arizona State Retirement System Board for the Calendar Year 2000.**

**Motion:** Mr. Jim Bruner moved that the ASRS Board meet on the following dates during the Calendar Year 2000:

January 21	Phoenix
February 18	Phoenix
March 17	Tucson
April 21	Phoenix
May 19	Phoenix
June 15	Flagstaff
July 21	Phoenix
August 18	Phoenix
September 15	Phoenix
October 20	Phoenix
November 17	Tucson

Mr. Karl Polen seconded the motion.

By a vote of 5 in favor, 0 opposed, 0 abstentions, 4 excused, the motion was approved.

**7. Presentation Regarding the Certificate of Achievement for Excellence in Financial Reporting.**

Mr. LeRoy Gilbertson presented the Certificate of Achievement for Excellence in Financial Reporting to Rebecca Kimbrough, Comptroller for her extraordinary efforts in completing the ASRS's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 1998.

The Certificate of Achievement for Excellence in Financial Reporting award is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports achieve the highest standards in government accounting and financial reporting.

Mr. James Jenkins congratulated Mr. Rich Beissel, Assistant Director Administrative Services and his staff for the role they share in this excellent accomplishment.

**8. Director's Report**

Mr. LeRoy Gilbertson introduced Mr. Kent Smith, Assistant Director Information Services to present the ASRS web site.

Mr. Smith graciously announced the passing of RonaLee Despain, a valued member of the Information Services staff. RonaLee was responsible for the ASRS telephone system, and was always very supportive of her co-workers and the improvements of the ASRS.

Mr. Smith thanked the Board for the opportunity to present the web site and stated that it is something the staff is very proud of. Highlights of the web site included the various forms and handbooks available to active employees and retired members, as well as information regarding ASRS Board meetings, and investment strategies and returns.

The ASRS web site address is: [www.asrs.state.az.us](http://www.asrs.state.az.us)

#### **9. Board Requests for Agenda Items.**

Dr. Merlin DuVal commended Mr. Tom Augherton for his superb work in preparing the pamphlet for the Legislature comparing the ASRS program to the other program. Dr. DuVal also thanked Mr. Augherton for providing the Board with the Summary of the 1999 Legislative Changes.

#### **10. Call to the Public.**

Mr. Bob Crossley, a retiree of the ASRS addressed the Board regarding his concerns and opinions relating to the Year 2000 computer issues.

There were no requests to speak from the Tucson public.

#### **11. A Special ASRS Board meeting is scheduled for Tuesday, November 2, 1999, at 2:00 p.m. in the 10<sup>th</sup> Floor Board Room of the ASRS Office, 3300 North Central Avenue, Phoenix, Arizona 85012**

**The next Regular ASRS Board meeting is scheduled for Friday, November 19, 1999, at 9:00 a.m. in the Board Room of the ASRS Tucson Office, 7660 East Broadway Boulevard, Suite 108, Tucson, Arizona 85710.**

#### **12. Adjournment of the ASRS Board.**

Mr. James Jenkins, Chairman adjourned the October 15, 1999, regular meeting of the ASRS Board at 10:17 a.m.

Respectfully submitted,

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Jalene Trivino, Secretary

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Date

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LeRoy Gilbertson, Director

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Date